

VZCZCXYZ0019  
RR RUEHWEB

DE RUEHGT #0357 0791931  
ZNR UUUUU ZZH  
R 191931Z MAR 08  
FM AMEMBASSY GUATEMALA  
TO RUEHC/SECSTATE WASHDC 5011  
INFO RUEHC/DEPT OF LABOR WASHDC

UNCLAS GUATEMALA 000357

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DEPT FOR DRL/ILCSR  
DOL FOR CROMERO, PCHURCH, LBUFFO

E.O. 12958: N/A

TAGS: [ELAB](#) [SOC](#) [PHUM](#) [KDEM](#) [KJUS](#) [GOV](#) [GT](#)

SUBJECT: LABOR VICE MINISTER HIGHLIGHTS SOCIAL ISSUES AND  
CHALLENGES

REF: GUATEMALA 135

11. Summary: During a March 17 meeting with poloff, Labor Vice Minister Mario Illescas discussed some of the challenges facing the Labor Ministry and some of his initiatives to address social issues, including labor compliance and public transport security. He expressed concern over the low salary for labor inspectors, and supported reclassification of labor inspector positions that would allow a salary increase. He also expressed concern over public bus accidents, an all too common occurrence, in the wake of a tragic bus accident that claimed 56 lives and highlighted the need to guarantee public safety. End Summary.

12. A core functional unit of the Labor Ministry is the Labor Inspectorate, which currently numbers about 300 inspectors. Illescas lamented that the salary for labor inspectors has been low for the past 20 years. He underscored the need to increase their salary and to restructure the Inspectorate to improve labor compliance. He suggested contracting a consulting firm to develop a plan to reclassify the positions to allow a higher salary range commensurate to that of tax inspectors at the Superintendent of Tax Administration (SAT).

(Note: While reclassification would increase the allowable salary range, it would not address the larger, more important issue of their professional status. Unlike tax inspectors, who are college-educated accountants or auditors, labor inspectors are typically fourth- or fifth-year law students, or university students majoring in social work, and are considered technical workers. End Note.)

13. Another area of concern for Illescas was public transport, in particular accidents involving public buses. As representative of the Labor Ministry, he said he recently participated in an ad hoc meeting with the Ministry of Communications, which has primary responsibility for the national transport system, the Municipality of Guatemala City, and other government institutions to discuss ways to improve Guatemala's public transport system. He noted that while the Executive approved a subsidy of Q250 million (USD33 million) for the Urban Transport Association, it had neglected rural transport. He urged the government to focus not only on urban transport but also on rural transport, which covers a larger area network.

14. Illescas stated that nearly all bus drivers in Guatemala City are properly licensed as required by law, and that there are speed limits but that the limits are not strictly enforced. Regarding public transport security, he said that a pre-paid fare card system would eventually eliminate the need for "brochas" -- so-called sweepers whose responsibilities are to sweep passengers into the bus, collect the fare, announce route destinations, and navigate for the bus driver. Illescas said they provide a useful

function under the current cash-based system, serving not only as bodyguard and assistant to the bus driver but also as public announcer of destinations for illiterate passengers. (Note: An estimated 31 percent of the population aged 15 and over is illiterate, according to the 2007 UNDP Human Development Report. End note.)

15. Comment: Illescas' creative approach to social problems is necessary in a ministry that has historically been among the smallest and most under-funded ministries. His proposal to reclassify labor inspector positions promises to not only improve labor compliance but to provide social benefits, in keeping with President Colom's social development agenda. In the wake of public outcry following a tragic bus accident that killed 56 people earlier this month and a violent spate of murders of bus drivers earlier this year (reftel), GOG inter-institutional efforts to better regulate bus companies and drivers and improve transport security will benefit the vast majority of the population (an estimated 70 percent in urban areas) that relies on public transport despite the daily risks.  
Derham